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Missouri Public
Service Commission

Exhibit No.:

Issue: Depreciation

Witness: Guy C. Gilbert, MS, P.E., R.G.

Sponsoring Party: MOPSC

Type of Exhibit: Rebuttal Testimony

Case Nos.: GR-2006-0387

Date Testimony Prepared: October 31, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

REBUTTAL TESTIMONY

OF

GUY C. GILBERT, MS, P.E., R.G.

ATMOS ENERGY CORPORATION

CASE NO. GR-2006-0387

Staff Exhibit No. 108
Case No(s). GR-2006-0387
Date 11-30-06 Rptr PF

Jefferson City, Missouri
October 2006

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Atmos Energy Corporation's Tariff)
Revision Designed to Consolidate Rates and)
Implement a General Rate Increase for Natural Gas)
Service in the Missouri Service Area of the)
Company.

Case No. GR-2006-0387

AFFIDAVIT OF GUY C. GILBERT

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Guy C. Gilbert, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Guy C. Gilbert

Subscribed and sworn to before me this 21st day of October 2006.



ASHLEY M. HARRISON
My Commission Expires
August 31, 2010
Cole County
Commission #08898978



Notary Public

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REBUTTAL TESTIMONY
OF
GUY C. GILBERT, MS, P.E., R.G.
ATMOS ENERGY COMPANY
CASE NO. GR-2006-0387

Q. Please state your name and business address.

A. Guy C. Gilbert, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Guy C. Gilbert who submitted direct testimony in this case?

A. Yes, I am.

Q. Please state the purpose of your testimony?

A. The purpose of my rebuttal testimony is to offer the Staff's position on depreciation in response to the Company's filed direct position.

Q. Has there been any additional information as a result of discovery that would cause your recommendations for the Commission in this case to be any different than those recommendations filed as part of your direct testimony.

A. No, there are no changes or additions to the recommendations stated in my direct testimony.

Q. Are there any clarifications, explanations or amplifications that you would like to provide the Commission at this time with respect to your direct testimony?

A. The only additional clarification and explanation I would like to offer is that Atmos management accepted its own depreciation consultant's recommendation that, as a whole, the annual depreciation accrual should be reduced by approximately \$591,000. This

Rebuttal Testimony of
Guy C. Gilbert, MS, P.E., R.G.

1 reduction should be facilitated by a negative amortization to the depreciation reserve account
2 in the amount of \$591,000 annually.

3 Furthermore as stated in my direct testimony it will be necessary for the Company to
4 convert, transfer and restate their continuing property records and actuarial data, in order that,
5 in the near term, the Staff and Company will be able to conduct a depreciation study that will
6 facilitate the development of life and net savings parameters by which appropriate depreciation
7 rates may be determined and ordered by the Commission in lieu of the amortization described
8 above.

9 Q. Does this conclude your prepared rebuttal testimony?

10 A. Yes, it does.